Increase in Equity of MNCs

1570. SHRI SATISH AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) the areas/sectors where government proposed or are proposing to allow MNCs to increase their equity from 50% and above; and

(b) whether Government have taken a policy decision in this regard, if so, when and the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The Govt. have recently on 17.1.97 expanded the list of industries for automatic approval for foreign equity investment. Thirteen more industries have been included in the Annex III for allowing automatic approval upto 51% foreign equity participation; three industries have been allowed automatic approval upto 50% foreign equity and nine industries have been allowed automatic approval upto 74% foreign equity participation.

The Govt. have also on 17.1.97 issued a set of guidelines for consideration of foreign direct investment proposals by the Foreign Investment Promotion Board.

Items Reserved for SSI

1571. DR. RANBIR SINGH:
SHRI RAM NATH KOVIND:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to de-reserve items earmarked for the small scale sector in a phased manner;

(b) if so, details thereof with steps proposed to be taken in this regard and names of items to be de-reserved in first phase; and

(c) if not, reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The Government had constituted an Export Committee on Small Enterprises under the Chairmanship of Shri Abid Hussain. The Committee had, *inter-alia*, recommended complete abolition of Reservation for SSI sector. Under the Industrial Development & Regulation Act, 1951, the Advisory Committee on Reservations is empowered to consider and make appropriate recommendations on reservation/de-reservation of items. The Committee had considered the recommendations of the Expert Committee and was of the view that total de-reservation at this stage is not desirable. Based on the recommendations of the Advisory Committee, Governments has decided to dereserve the following items:—

Rice milling, Dal milling, Poultry feed, Vinegar, Synthetic Syrups, Biscuits, Ice cream, hair Dryers—all types, Hub Caps—Auto, Ornamental fitting—Auto, Spot Lamp assembly—Auto, Stop lamps assembly—auto, Tail lamp assembly—Auto, Ash trays—Car fittings, and Corrugated Paper & Boards.

(c) Does not arise.

Issue of International Pharmaceutical Giants Patenting Products

1572. SHRI JOY NADUKKARA: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware of news item appearing in Indian Express dated 28th November, 1996 stating that international pharmaceutical giants patenting products derived from Indian genetic materials;

(b) if so, whether it is not in contravention of the internationally agreed convention on biolgical diversity;

(c) whether Government are aware of the heavy losses the country is sustaining from this kind of action of the giant companies; and

(d) if so, the steps Government are likely to take against these companies?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Information is being collected and will be laid on the Table of the House.